



**ENGINEERING OPERATIONS COMMITTEE
MEETING MINUTES**

**NOVEMBER 6, 2008 – 9:00 A.M.
MULTI-MODAL CONFERENCE ROOM**

Present: L. Tibbits J. Friend J. Polasek
J. W. Reincke J. D. Culp T. Kratofil
C. Roberts T. Fudaly C. Bleech
E. Burns

Absent: B. O'Brien M. Van Port Fleet

Guests: D. Parker R. Cadena B. Kadzban
B. Krom M. Dionise J. Rios
J. Staton

OLD BUSINESS

1. Approval of the October 2, 2008, Meeting Minutes – L. Tibbits

The October 2, 2008, meeting minutes are approved.

NEW BUSINESS

1. Guidance for Work Zone Safety and Mobility on Federally Funded Local Agency Projects – M. Van Port Fleet, B. Kadzban, and R. Cadena

The Federal Highway Administration (FHWA), through 23 CFR Part 630 Subpart J, amended the National Highway Work Zone Safety Program and implemented Work Zone Safety and Mobility (WZS&M) requirements for all federal aid highway projects. FHWA mandated implementation of its policy by all state departments of transportation by October 2007; MDOT is in compliance. Local agency compliance is mandated on all federal aid projects by January 1, 2009.

A subcommittee consisting of the engineering committees of the County Road Association of Michigan (CRAM), Michigan Municipal League (MML) and MDOT prepared a draft policy. Local agencies will use the policy to plan and design federal aid construction projects. Upon EOC approval, the local agency WZS&M policy will be added to MDOT's WZS&M policy.

As part of the plan review package submittal, the local agency will certify whether the project meets the criteria set forth in the WZS&M policy. If it does, the local agency will certify that they followed the policy in preparing the submittal documents. The MDOT local agency programs staff engineer will review the certifications and the supporting documentation with the local agency at the project grade inspection plan review meeting.

Staff from MDOT's Local Agency Program and Division of Operations, and representatives of FHWA reviewed the draft policy. The County Road Association of Michigan will review it in December 2008.

EOC approval of the *Guidance for Work Zone Safety and Mobility on Federally Funded Local Agency Projects* is requested.

ACTION: EOC approves the policy with minor revisions to the checklists.

2. Pavement Selections – B. Krom

a. US-41 Reconstruction: CS 55011, JN 84193

The rehabilitation alternatives considered were a hot mix asphalt (HMA) (Alternative 1 – equivalent uniform annual cost [EUAC] \$46,814/mile) and a jointed plain concrete pavement (Alternative 2 - EUAC \$63,077/mile). A life cycle cost analysis was performed and Alternative 1 was approved based on having the lowest EUAC. This project may be a candidate for alternate bid. The pavement design and cost analysis are as follows:

1.5"	HMA, 5E3, Top Course
2"	HMA, 4E3, Leveling Course
3"	HMA, 3E3, Base Course
6"	Aggregate Base
18"	Sand Subbase
6" dia.	Subbase Underdrain System
30.5"	Total Section Thickness

Present Value Initial Construction Cost.....	\$658,601/mile
Present Value Initial User Cost.....	\$89,176/mile
Present Value Maintenance Cost	\$193,991/mile
Equivalent Uniform Annual Cost	\$46,814/mile

b. M-52 Reconstruction: CS 76011, JN 100283

The reconstruction alternatives considered were a HMA pavement (Alternative 1 – EUAC \$48,406/mile) and a jointed plain concrete pavement (Alternative 2 - EUAC \$61,095/mile). A life cycle cost analysis was performed and Alternative 1 was approved based on having the lowest EUAC. The pavement design and cost analysis are as follows:

1.5"	HMA, 5E3, Top Course
2"	HMA, 4E3, Leveling Course
3.5"	HMA, 3E3, Base Course
6"	Aggregate Base
18"	Sand Subbase
6" dia.	Subbase Underdrain System
31"	Total Section Thickness

Present Value Initial Construction Cost.....	\$714,609/mile
Present Value Initial User Cost.....	\$74,387/mile
Present Value Maintenance Cost	\$184,779/mile
Equivalent Uniform Annual Cost	\$48,406/mile

3. Policy on Establishment and Management of Winter and Non-Winter Maintenance Budgets – T. Kratofil and J. Reincke

The fiscal year (FY) 2008 winter was one of the most costly in recent history. The heavy snowfall, extended winter season, increase in labor and benefits costs, and rapidly rising costs for salt, fuel, and other maintenance materials put a significant strain on the department's maintenance operating budget. Consequently, there was a significant impact on those who perform maintenance activities, including direct force crews, contract agencies, and private vendors. The impact of FY 2008 winter expenditures on maintenance operations, including efforts to adjust planned non-winter activities and assure comparable levels of service statewide, highlighted the need to improve the process for establishing and managing maintenance budgets. This policy supersedes any previous instruction or policy regarding the establishment of maintenance budgets.

Approval of the *Policy on Establishment and Management of Winter and Non-Winter Maintenance Budgets* is requested

ACTION: EOC approves the policy. The Division of Operations will send a letter to the County Road Association of Michigan (CRAM) and the Michigan Municipal League (MML) to inform them.

4. Policy on Management of Maintenance Contract Agency Audit Adjustments – T. Kratofil and J. Reincke

In various counties and cities throughout the state, MDOT enters into contracts with local units of government to perform maintenance services for the state trunkline system. These contracts are, as a rule, "audit to cost" type contracts, which requires the department to reimburse the contract agency for their actual costs, determined by a financial audit after the completion of a fiscal year's activities. In some cases, this means adjustments must be made to the payments made to agencies based on progress billings to reconcile differences between actual payments and actual costs incurred.

Previous practice made these adjustments outside of the current year's operating budget. Several years ago, the department recognized that this practice did not conform to generally accepted accounting principles, and that audit adjustments from previous fiscal years must be paid for out of the current year's operating budget. Since that time, the adjustments have been paid against the statewide portion of the budget and winter contingency.

Over the last several years, the amount of audit adjustments has become increasingly significant – in the several millions of dollars. This is due in part to rapidly increasing costs for materials, equipment and fuel, which are not immediately reflected in equipment billing rates or other routine charges. Such large amounts have a significant impact on the amount of operating budget available for actual maintenance operations. Furthermore, they cannot be accurately planned for in the budget process, as the amounts are unknown and the time frame for audit completion is outside the control of the operating areas. The impact was compounded by the severe winter conditions and costs experienced during FY 2008, which left no contingency funds available for payment of audit adjustments.

Approval of the *Policy for Management of Maintenance Contract Agency Audit Adjustments* is requested

ACTION: EOC approves the policy. The Division of Operations will send a letter to CRAM and the MML to inform them.

5. **Open-Graded Drainage Course – J. Staton**

Over the past several years, the Frequently Used Special Provision for Open-Graded Drainage Course has been a concern from the contractors' and aggregate producers' perspective. For example, modifications to approved special provisions were incorporated into project proposals by means of a non-approved special provision via addendum, or by language included in a Notice to Bidder.

C&T was assigned the task of engaging all relevant stakeholders toward developing a consensus special provision that would be applicable for statewide use. Initially, representative department experts from C&T and the regions met on several occasions to develop a draft special provision. The draft special provision was sent to the industry organizations (APAM, MCPA, MITA, and MAA) for review and comment. MDOT and industry representatives met to discuss outstanding industry concerns. The special provision then went to the FHWA for their review and approval.

Based in consensus, contractors, aggregate producers, FHWA and MDOT recognize the Special Provision for Open-Graded Drainage Course, dated October 31, 2008, as the only approved document for statewide use.

Approval of the Special Provision for Open-Graded Drainage Course, Modified is requested.

ACTION: EOC approves the special provision.

The Design Division will issue a design advisory and C&T will author a bureau of highway instructional memorandum as notification to discontinue use of all previous special provisions on open-graded drainage course that may be in circulation.

6. Mobility Policy for Right-of-Way Utility and Construction Permits – M. Dionise and J. Rios

The Real Estate Division's Utility and Permits Section formed a committee to develop the new policy requirements. The committee met with region/TSC staff and utility companies to discuss the best approach to develop guidelines to comply with this policy. The committee developed a process that streamlines the Transportation Management Plan and requires the permit applicant to review a Mobility Impact Map at the proposed work location to assess potential traffic impacts. The Mobility Impact Map will show when lane closures may be allowed. If the proposed work cannot be performed outside of the restriction time frame, additional documentation will be required from the applicant in an effort to reduce and/or mitigate the traffic impacts caused by the project. Emergency situations are exempt and have been defined.

Approval of the *Mobility Policy for Right-of-Way Utility and Construction Permits* is requested.

ACTION: EOC approves the policy with minor revisions to the checklists

(Signed Copy on File at C&T)

Eric Burns for Brenda J. O'Brien, Secretary
Engineering Operations Committee

EB:kar

cc:	K. Steudle	S. Mortel	J. Steele (FHWA)
	J. Shinn	D. Jackson	R. Brenke (ACEC)
	L. Hank	W. Tansil	G. Bukoski (MITA)
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	B. Shreck	J. Ingle	C&T Staff